

# UPDATE JANUARY 2024

Bizsolindia Monthly Update | Issue V | Volume XIX

***Bizsol***  
*...partners in strategy*

Spotlight

# DOLLARISATION OF A COUNTRY'S ECONOMY

In This Update

What's New

Beyond The Obvious

Bizsol Corner

#DigitalUpdates





## We Believe In

**“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.”**

**Mahatma Gandhi**

# In This Issue

<b>FROM THE DESK OF THE CHAIRMAN – MR. VENKAT R VENKITACHALAM</b>	<b>06</b>
<b>DOLLARISATION &amp; IMPORTANCE OF A COUNTRY'S SOVEREIGN CURRENCY MR. VENKAT R VENKITACHALAM</b>	<b>11</b>
<b>WHAT'S NEW</b>	<b>17</b>
• GST	17
• CUSTOMS	18
• CENTRAL EXCISE	21
• DGFT	21
• INCOME TAX	22
• SEBI	23
• RBI	24
• OTHERS	25
<b>BEYOND THE OBVIOUS</b>	<b>26</b>
<b>BIZSOL CORNER</b>	<b>31</b>
<b>DIGITAL BIZSOL</b>	<b>35</b>
<b>OUR SERVICES</b>	<b>36</b>

## THIS MONTH FOR YOU!

Due Dates	Law	Particular
6/1/2024	Excise	Excise E-Payment
7/1/2024	Income Tax	Due date for deposit of Tax deducted/collected for the month of December, 2023.
7/1/2024	Income Tax	Due date for deposit of TDS for the period October 2023 to December 2023 when Assessing Officer has permitted quarterly deposit of TDS under 192, 194A, 194D or 194H
7/1/2024	Wages Act	Payment of Salary / Wages If employees <1000
10/1/2024	GST	GSTR -8 E Commerce Operator For The Month of December 2023
10/1/2024	GST	GSTR-7 Registered persons who deduct TDS for the month of December 2023
10/1/2024	Wages Act	Payment of Salary / Wages If employees > 1000
10/1/2024	Excise	ER-1 / ER-2 Returns (w.r.t. products not covered under GST)
11/1/2024	GST	Filing of GSTR-1 for the month of December 2023
13/1/2024	GST	Filing of GSTR 1 for the quarter of Oct-Dec 2023 for the taxpayers filing GSTR-1 under QRMP Scheme.
13/1/2024	GST	GSTR-5 & GSTR-6-ISD Return for the month of December 2023
14/1/2024	Income Tax	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of November, 2023
15/1/2024	Income Tax	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of December, 2023 has been paid without the production of a challan
15/1/2024	Income Tax	Quarterly statement of TCS for the quarter ending December 31, 2023
15/1/2024	Income Tax	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending Dec., 2023
15/1/2024	Income Tax	Due date for furnishing of Form 15G/15H declarations received during the quarter ending December, 2023
15/1/2024	Income Tax	Furnishing of statement in Form No. 49BA under Rule 114AAB (by specified fund) for the quarter ending December 31, 2023
15/1/2024	Labour Law	Due date to pay of the December 2023's provident fund contribution of both employee and employer to be paid by the employer under ECRCum-Return

Due Dates	Law	Particular
15/1/2024	Labour Law	Due date to pay ESIC Payments for December 2023
18/1/2024	GST	Due date of filing of CMP-08 for Oct-Dec 23 quarter for taxpayer who are registered under Composition Levy
20/1/2024	GST	Due date of filing of GSTR-3B for the month of December 2023
20/1/2024	GST	Due date for filing GSTR-5A (OIDAR) for the month of December 2023
22/1/2024	GST	Due Date for filing GSTR – 3B return for the month of Jan., 2023 for the taxpayer with Aggregate turnover upto INR 5 crores during previous year and who has opted for Quarterly filing of GSTR-3B(Group A State)
24/1/2024	GST	Due Date for filing GSTR – 3B return for the month of Jan., 2023 for the taxpayer with Aggregate turnover upto INR 5 crores during previous year and who has opted for Quarterly filing of GSTR-3B(Group B State)
28/1/2024	GST	Due date of filing of GSTR-11 for Oct-Dec 23 quarter for taxpayer who are Unique Identity Number(UIN) Holders
30/1/2024	Income Tax	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of December, 2023
30/1/2024	Income Tax	Quarterly TCS certificate in respect of quarter ending December 31, 2023
31/1/2024	Income Tax	Quarterly statement of TDS for the quarter ending December 31, 2023
31/1/2024	Income Tax	Quarterly return of non-deduction at source by a banking company from interest on time deposit in respect of the quarter ending Dec. 31, 2023
31/1/2024	Income Tax	Intimation under section 286(1) in Form No. 3CEAC, by a resident constituent entity of an international group whose parent is non-resident
31/1/2024	Income Tax	Exercising the option to opt for alternative tax regime under Section 115BAA by a domestic company for assessment year 2021-22
31/1/2024	Income Tax	Intimation by Sovereign Wealth Fund in respect of investment made in India for quarter ending December, 2023
31/1/2024	Income Tax	Intimation by a pension fund in respect of investment made in India for quarter ending December 31, 2023
31/1/2024	GST	Due Date for filing opening balances for Electronic Credit Reversal and Reclaimed statement

## FROM THE DESK OF THE CHAIRMAN



**CS Venkat R Venkitachalam**

Chairman, Bizsolindia

---

The Indian Medical Association (IMA) has a headache for which the Association does not seem to have a remedy despite it being the association of all doctors in India.

---

The Indian Medical Association (IMA) has a headache for which the Association does not seem to have a remedy despite it being the association of all doctors in India. The cause for the headache comes from none other than a ubiquitous Baba who challenged the efficacy and credibility of allopathic medicines and its practitioners. Baba found unprecedented acceptance of “ayurvedic” medicines promoted by him which are considered ethnic and therefore Indian ever since the political landscape changed in India with the arrival of Bhartiya Janata Party on the national scene with its own Hindu religious practices. Ayurvedic medications are perceived to be native to India and therefore have readily found favour across all sections of the society. Promotion of ayurvedic medications increasingly found favour at the expense of allopathic medicines that are considered as being modern – a euphemism for being western. Modern medicines are considered as alien to Indian ethos. Such a belief system has presented an unprecedented opportunity for budding entrepreneurs to promote their ayurvedic products which are considered local and ethnic. The philosophy and methodology of treatment of diseases through ayurvedic medicines and practices give the patients a sense of innate pride and satisfaction. With this change in the environment with a ruling Party looking to anchor their policies on ancient practices, ayurvedic products became the toast of the town. In this scenario the practice of Yoga and usage of ayurvedic medicines fitted the bill perfectly. A subtle shift in medicines and medical practices was inevitable to take advantage of such changes in the external environment. Patanjali brand of products promoted by Baba Ramdev gave an Indian the satisfaction of curing the deceases (whatever they are) with our own body of knowledge anchored on ayurvedic medicines. To cut a long story short, Patanjali has become a household name in no time. Once the Baba became a corporate honcho, there is no stopping him. In all this, he forgot for a moment that ancient medicines are

good as palliatives and worked well for minor ailments and a lot of research and innovations are yet to be done for these medical practices to claim that they are better than any other branch of medicines in the area of critical care. The corporate empire started by the Baba has become a multibillion business empire. Unfortunately for Baba, this pursuit of profit landed him before the apex court of the land. On a petition by the Medical Council, the Baba was hauled up before the Court for making or helping to make misleading claims about the efficacy of Patanjali products. The Supreme Court cautioned Patanjali Ayurved against making “false” and “misleading” claims in advertisements for its medicines being promoted as cure for several severe diseases. The Supreme Court also said that it may consider imposing a fine of Rs one crore on every Patanjali product if a false claim is made that it can cure a particular ailment. The Bench observed further that “all such false and misleading advertisements of Patanjali Ayurved have to stop immediately. In case anybody had a doubt, the Court also said that it will take any such infraction very seriously”. A similar kind of advice had been given to Baba by the recently retired CJI Ramana. Does this make Baba, of all people, a repeat offender? Ramdev Baba on his part, after the verdict had been given, was all gung-ho and proclaimed that he was willing to face even a death penalty if he is found guilty of any offence. As expected, Baba has blamed it all on a conspiracy hatched by the modern (read western) medical practitioners. Haven't we heard this line before?

I have always maintained that children can watch any programme on TV except shows that had risqué content and Parliamentary debates. My logic is clear. The former spoils their character and the latter, their behaviour. In fact, in these columns, I had also expressed the opinion that our Parliamentarians should behave better and those enter the well of the House should be subject to automatic suspension for the rest of the session. With frequent disruptions of the Parliament, irrespective of the seriousness of the debates, I was looking forward to watching the debates in Parliament when serious bills like “Bharatiya Nyaya (Second) Sanhita Bill, the Bharatiya Nagarik Suraksha (Second) Sanhita Bill and the Bharatiya Sakshya (Second) Bill were brought before the Parliament. Though there are few eloquent and erudite speakers left in the Parliament today, I was still looking forward to hear some animated debates on the above subjects particularly from the Opposition benches, for they take pains to study and understand the provisions in depth to corner the ruling party. I was particularly keen to watch the debates on the revamped criminal procedure codes as these Bills in particular would be instructive to good conduct of a large number of those who are sitting in the Parliament today. That was not to be. The Opposition decided to disrupt the proceedings in the House and deliberately invited their own suspensions. You would want

to trade either your left or right arm to be members in the House besides spending huge amounts of money. Yet here they are, our honourable members walking to the well of the House inviting (not even daring) the presiding officer to suspend them as if soliciting a badge of honour for some outstanding service to the nation! If I had not seen it on live TV, I would not have believed what was happening. Apparently, they were protesting the Speaker's decision of not allowing a discussion on the recent Parliament attack. In my opinion the stand taken by the Government in not allowing a discussion on the subject was patently wrong. The breach was so serious. Some of the MPs could have been harmed or even killed. Whether those representatives were good or not, they are our MPs. It may sound a bit cliched; one mistake cannot justify another one. The Opposition, in my opinion walked into the trap set up by the treasury bench. The ruling party took full advantage of the situation and rammed all the Bills through with no Opposition to those Bills! The lesson the Opposition has to learn is that those who are sitting in the treasury benches are much smarter in the art of politics.

**Arguably** the most vulnerable ministry in the Union Cabinet is that of the Minister of External Affairs (MEA). The reason for this is not very difficult to fathom. The Prime Minister (PM) is always seen as the authentic representative of a country for obvious reasons. In such a situation the MEA has a difficult role to play. He cannot upstage the PM but at the same time he also has to be seen as the one who is the expert on all matters related to foreign affairs of his country. In the present Cabinet it is even more difficult for anyone to don that mantle of MEA as Narendra Modi considers himself to be a better MEA than the MEA himself. In such a situation the latter has a hard task cut out for himself. In 2019 someone who is not known to the political establishment as a heavy weight named Subramanyam Jayasankar was to be sworn in as the MEA, the first question in every one's mind was this – who is this guy? Jaysankar was a long serving career bureaucrat having served as the Foreign Secretary for three years. He is the second such bureaucrat who was chosen to become the MEA. The other one was Natwar Singh. Jaysankar by nature does not give any indication of being a congenial person. On the contrary, he gives the impression as someone who is quite brusque. By all accounts, despite his external appearances, he has proved to be an ideal foil to Narendra Modi. That is saying a lot. Now let me come to the point that I wanted to make. Jaysankar recently made trip to Russia when he had met Vladimir Putin, the Russian President. He made an interesting observation before leaving for Russia. In 1991 when India opened its economy formally its economy was worth \$270 Billion when that of Russia was a whopping \$518 Billion, almost twice of India's. Cut to 2022 for which figures are available, these statistics have virtually reversed. India's economy stands at \$3.42 Trillion and that of Russia at \$2.24 Trillion. These figures are a telling commentary on the progress made by India. Shekhar Gupta the Chief Editor of the Print takes this point further. He points out that the Russian economy stalled in 2009 and the primary reason for this was because of what is called irredentism. Irredentism is

the territorial claim of one state based on ethnic, historical or national grounds. Most commonly, it is when a state argues that their state's people reside in territories claimed by a bordering state and that territory should, therefore, belong to parent nation. Russia, ever since it was born out of the disintegration of the Soviet Union had always nourished such feelings, the most recent instance being on Ukraine which Russia considers still as a part of Russia. Before that it was about Crimea. The problem with harbouring such feelings is that states end up spending a lot of effort, money and other political capital to fan such feelings. That in turn costs money which otherwise would have been gainfully invested in developing one's own economy. Irredentism is often masquerades as imperialism. Irredentism happens when a land claim due to its historical significance or connection to an ethnic or national group within the state making such a claim. Imperialism, on the other hand is when a state claims territory they have no claim over to expand their land; it is against self-determination. Some political philosophy to ponder over.

**Lafarge SA** which was a part of the Holcim Group in India till they sold their stake to the Adanis, is a France based international company making cement with a squeaky clean reputation to boot. They recently pleaded guilty and agreed to pay \$777.8 million to resolve a U.S. federal criminal charge related to the French company's payments to ISIS and another terror group to keep a cement plant operating in Syria. "Lafarge has admitted and taken responsibility for its staggering crime," said U.S. Attorney Breon Peace in a statement. "Never before has a corporation been charged with providing material support and resources to foreign terrorist organisations. In the midst of a civil war, Lafarge made the unthinkable choice to put money into the hands of ISIS, one of the world's most barbaric terrorist organisations so that it could continue selling cement. Lafarge did this not merely in exchange for permission to operate its cement plant – which would have been bad enough – but also to leverage its relationship with ISIS for economic advantage, seeking ISIS's assistance to hurt Lafarge's competition in exchange for a cut of Lafarge's sales." Lafarge was indicted by French authorities in 2018 in connection with the ISIS payments on charges of being complicit in crimes against humanity. Corporate greed and nature of the crime have few parallels like this across the world. This case in particular underscores the need for all companies operating in high risk environments to invest in robust compliance programmes, pay vigilant attention to national security compliance risks and conduct careful due diligence in mergers and acquisitions.

**The Economist** carried an interesting article in its latest issue dealing with predictions and facts thereafter for 2023. The title to the piece is "The Economists had a Dreadful 2023". I have taken a few nuggets from the article albeit, paraphrased as required. "Economists who deal in sober empirical work have also

had their conclusions challenged. (They had predicted a hard landing for the US consequent to rising inflation). Perhaps the most famous economic studies of the past 20 years have been those by Thomas Piketty, the celebrated French Economist and his co-authors who found an increasing gap between rich and poor. But in November a paper found that after taxes and transfers, American incomes are barely less equal. Now Mr Piketty's faction is on the defensive, accusing its critics of "inequality denial". Economists had long agreed that America would be richer if it allowed more homes to be built around popular cities. Now Brian Greaney of the University of Washington claims that after correcting for mistakes the true estimated effect is just 0.02%. You think social mobility in America is lower than it was in the freewheeling 19th century? It now looks as if there is more equality of opportunity today than in the past. A rise in suicides, overdoses and liver disease has reduced life expectancy for white Americans for job opportunities. New research has instead blamed the carnage on simple proximity to smuggled fentanyl, a powerful opioid. The long decline in the prestige of the once faddish field of behavioural economics which studies irrationality, continued in 2023. In June Harvard Business School said, it believed, after an investigation that some of the results in four papers co-written by Francesca Gino, a behavioural scientist and PhD in Economics were "invalid" owing to "alterations of the data". What lessons should be drawn from economists' tumultuous year? One is that for all their intellectual discipline they are still human. Replicating existing studies and checking them for errors is crucial work. Another lesson is that disdain for economic theory in favour of the supposed realism of empirical studies may have gone too far. After the global financial crisis of 2007-09 commentators heaped opprobrium on theorists' common assumption that people make rational predictions about the world; gibes about an unrealistic, utility-maximising Homo Economicus helped raise the status of Behavioural Economics. Yet rational expectations models allow for the possibility that inflation can fall rapidly without a recession - exactly the scenario that caught out forecasters in 2023. A last lesson is that economists should cheer up. The research that has been called into question this year inspired much pessimism about the state of modern capitalism. But a dodged recession, flatter inequality trends and less despair would all be good news. Perhaps the dismal science should be a little less so." Some sobering thoughts at the end of the year.

I take this opportunity to wish all our readers a Happy and Prosperous 2024.

**Thank you.**

**Venkat R Venkiachalam**

# DOLLARISATION OF A COUNTRY'S ECONOMY

*A PATH TO MONETARY STABILITY OR SURRENDER OF SOVEREIGNTY*



**CS Venkat R Venkitachalam**  
Chairman, Bizsolindia

## **Concept Dollarisation:**

Dollarisation is the phenomenon where the US Dollar replaces a nation's own currency. It is a complex economic exercise. Imagine a country where shopkeepers price goods in Dollars, wages are negotiated in Dollars and even savings are tucked away in greenbacks. This is dollarisation, where a foreign currency takes over often replacing or supplementing the local currency. Driven by factors like high inflation, volatile exchange rates or a desire for economic stability, dollarisation can bring both boons and burdens impacting everything from everyday transactions to a nation's economic sovereignty. Whether viewed as a necessary evil or a surrender of control, dollarisation remains a fascinating economic conundrum with far-reaching consequences.

## **Importance of A Country's Sovereign Currency:**

A country's sovereign currency holds immense significance like no other, both real and perceived, playing a crucial role in its economy, international standing, and above all in its national identity. A country's national flag and its currency are perhaps the most important symbols of identity for a citizen of any country. Keeping this in mind, let us look at the significance that its currency commands – both real and perceived.

1. **Medium of Exchange:** Most importantly, a currency facilitates transactions within an economy. Goods and services are priced and exchanged using this currency, enabling a functioning commercial landscape.
2. **Unit of Account:** It provides a common yardstick for measuring value and tracking economic activities. Prices, contracts, and financial instruments are all denominated in this currency offering clarity and comparability.
3. **Store of Value:** Ideally, a stable currency retains its purchasing power over time allowing individuals and businesses to save and invest with confidence. It

protects against inflation while encouraging long-term economic planning.

4. **Monetary Policy Tool:** By controlling the money supply and setting interest rates, governments can influence economic growth, inflation, and employment. This policy tool, however, loses its effectiveness with dollarisation.
5. **National Symbol:** A nation's currency embodies its sovereignty and economic independence. It represents a tangible expression of its economic strength and historical development.
6. **International Prestige:** A strong and stable currency often signifies a country's economic health and global clout. Investors may be more confident in such economies leading to increased foreign investments and trade.
7. **National Pride:** Currency can serve as a symbol of national unity and identity. Its design and imagery can reflect a country's history, culture, and values evoking a sense of shared belonging among the citizens.
8. **Intrinsic Trust:** Stable currencies generate trust in financial institutions and economic systems. When people confidently use their currency for daily transactions, it fosters stability imbued with a sense of security.

In short, a country's sovereign currency holds complex and significant real and perceived value as mentioned above. It underpins the country's economic activities, influences national pride, and shapes international perceptions about the country itself. Balancing the real and perceived significances involves maintaining stability, fostering trust and navigating the interconnectedness of global financial systems. Under these circumstances it is an extremely difficult decision for any government to let go of (or deliberately undermine) its own national currency – a heart wrenching decision in itself. Depreciation or hyperinflation can erode trust in the currency and hamper economic activity. People become hesitant to spend or invest leading to a downward economic spiral. Emerging economies with weak currencies can be vulnerable to fluctuations in global markets and also policies of dominant economies like the US. The adoption of the Euro by several European countries was aimed to strengthen economic integration and enhance its international standing. While it brought benefits like reduced transaction costs, concerns arose eventually about individual countries losing control over their monetary policies. Hyperinflation in Venezuela rendered its currency the Bolivar nearly worthless causing severe economic hardship and social unrest. This starkly illustrates the importance of maintaining currency stability.

### **Consequences of Dollarisation:**

Dollarisation is the process of a country adopting a foreign currency, usually the U.S. Dollar (hence the word dollarisation) as its official legal tender, either alongside or in place of its own currency. The usage of the word 'dollarisation' stems from the fact that Dollar is arguably the most stable and thereby the most sought-after currency in the whole world. This follows a formal sovereign decision by a government to make the US dollar the primary or sole legal currency across country.

The process involves retiring the existing domestic currency, converting all domestic prices and contracts to Dollars and deciding to hold the country's foreign reserves in US Dollars. It can also happen when people and businesses within a country start using the US Dollar extensively in transactions, even though it is not officially recognised as legal tender – a de facto dollarisation. It is important here to state upfront that dollarisation is far from a pure academic discussion. Let us now see why this subject today is such a hotly debated issue. For this let us take a short trip to Argentina. Javier Milei is the recently elected the President of the south American country of Argentina, known so far only for football and its patron saints Diego Maradona and Lionel Messi. Milei has romped home in the recently concluded elections in Argentina, a country that was under a military dictatorship and more importantly a country with an inflation upwards of 150%! Milei, the self-confessed “anarcho-capitalist” has sworn to replace Argentina's currency, the Pesos with US Dollars. In the process, he has promised to shut down the country's Central Bank and slash drastically its government spending. The country's electorate has thrown their weight behind Milei more out of desperation than their love for unconventional economics. The economists around the globe are keenly watching these developments in the American continent to see how his unconventional economic adventure plays out in real time. The economists across the world are watching eagerly to see whether dollarisation can be a solution to an economy under the burden of such a runaway inflation as in Argentina. Dollarisation, by the way, can be a solution to runaway inflation primarily for two reasons, viz., the reality of cash losing its pre-eminence in the system and the economy becoming more transparent. Before we proceed further, let us see the widely propounded advantages and challenges to Dollarisation to understand this process. Argentina has a history of economic challenges, including high inflation and continual currency depreciation. In the past, there have been instances of de facto dollarisation where people used the US Dollar for transactions to protect themselves from the local currency's instability. The country had faced economic crises before, such as the one in 2001 leading to a default on its sovereign debt. During these turbulent times the US Dollar was widely used as a store of value. However, officially adopting Dollars as the country's currency can have complex and unexpected consequences impacting the country's ability to control its monetary policy and respond to emerging economic challenges. Now let us look at the advantages and challenges associated with such a revolutionary monetary reform like dollarisation

#### A. Advantages of Dollarisation:

1. **Economic Stability:** Dollarisation can help stabilise economies facing hyperinflation or currency volatility. It can also lower interest rates and attract foreign investments.
2. **Trade and Investment:** Using a widely accepted currency like the US Dollar can facilitate international trade and smoother financial transactions.
3. **Protection against Currency Crises:** Dollarisation can help shield economies from sudden depreciations of their domestic currencies.
4. **Reduced Transaction Costs:** Using a single currency can eliminate the costs associated with exchanging currencies.

5. **Cost of Protection of Currency:** The costs of having to protect and safeguard the value through constant and continuous interventions in the currency market gets considerably reduced.
6. **No Need to play the Role of a Lender of Last Resort:** There is no necessity for the country's central bank maintain a system to print and monitor a local currency and be a lender of last resort.

#### B. Challenges Associated with Dollarisation:

1. **Loss of Monetary Policy Control:** A dollarised country loses the ability to set its own interest rates or control its money supply. The authorities of such country become mute spectators even when they are convinced that they can do something different to redress economic crises facing them. Dollarised economies completely lose control over their domestic interest rates thereby limiting their own influence in stabilising the countries' money markets. The US Federal Reserve determines interest rates based on that country's domestic circumstances and compulsions limiting thereby the ability of the dollarised economy to address its own local conditions. Without an independent monetary policy, countries cannot use tools like interest rate adjustments to respond to economic shocks. Dollarisation may limit a government's ability to use monetary policy to finance budget deficits. This can constrain fiscal policy options during economic downturns. During economic crises, dollarised economies have fewer tools to address their own economic challenges. The absence of an independent monetary policy for the country can also limit their ability to implement counter-cyclical measures as they deem necessary.
2. **Unjustified Vulnerabilities to US Economic Policies:** A dollarised country becomes more vulnerable to the economic shocks or policy changes in the US. The dollarised economy has no wherewithal to rectify or fiddle with any economic process based on local conditions that may be unique to those countries. Dollarised economies become more vulnerable to economic conditions in the United States that may be unrelated to the dollarised countries. Changes in the US interest rates, and economic policies can have unpredictable impact in the dollarised economy.
3. **Potential Costs of Transition:** The initial transition to dollarisation can involve costs associated with currency conversion and endless adjustments of their own financial systems. In the event of failure of dollarisation, the dollarised country would find it very difficult and extremely costly to revert to the previous regime.
4. **Possible Loss of Revenues:** The country loses the ability to earn seigniorage which is the profit made from issuing its own currency. This can result in a reduction in government revenues. Similarly, dollarised countries cannot adjust exchange rates to enhance export competitiveness, a task that is extremely important for the nation's economic future. This lack of flexibility can potentially affect the international competitiveness of their goods and services. Similarly, dollarisation can lead to a mismatch between dollar-denominated liabilities and local currency assets, exposing financial institutions to risks during currency fluctuations.

5. **Adverse Distributional Effects:** Dollarisation may have distorted or unjustified distributional effects potentially benefiting certain segments of the population at the cost of adversely affecting others where the income distribution is unequal. In a progressive state this would be unacceptable.
6. **Unemployment and Economic Adjustment:** Dollarisation may hinder the ability to implement policies to address unemployment and economic adjustment during downturns. Dollarisation may also hinder the ability to implement policies to address unemployment and economic adjustment during such downturns. The government of the dollarised nation cannot but be a silent bystander.

**Overall**, dollarisation is a complex issue with both potential benefits and serious drawbacks. Countries considering dollarisation must carefully weigh the economic and political implications before deciding to opt for such drastic currency policy. “Dollarisation has evolved as one of the noteworthy features of globalisation during the last two decades.” said Mr. Yilmaz, the then Governor of the Central Bank of the Republic of Turkey at a conference on dollarisation in December 2006. He should know. This remains more relevant now than ever before for his country. Turkey has seen unpredictable turmoil on the economic front during the last few years under its current President, Tayyab Erdogan. On account of the increasing integration of the international financial system, the lifting of restrictions on capital mobility and the growing volume of trade, the debate on dollarisation found growing interest in the 1990s.

**Having** seen what dollarisation entails, let us look back into history to see if any lessons are there to be learnt from those nations who had attempted similar measures in the past. There are indeed some countries who had attempted dollarisation and there are indeed some lessons too to be learnt therefrom. The important ones are:

- a. **Ecuador:** In 2000 Ecuador officially adopted the US Dollar after a severe economic crisis that led to hyperinflation and currency instability. According to economists this move helped stabilise the country’s economy, attract foreign investment and reduce financial transaction costs.
- b. **El Salvador:** In 2021 El Salvador became the first country to make Bitcoin a legal tender alongside the US dollar which was being used widely in the country. The goal was to promote financial inclusion and reduce reliance on traditional banking systems. Economic experts seem to suggest that this could be achieved.
- c. **Zimbabwe:** While not officially dollarised, Zimbabwe has experienced significant unofficial dollarisation due to hyperinflation and lack of confidence in its domestic currency since 2009. US Dollars are widely used in the country for everyday transactions and also savings.
- d. **Panama:** Panama has a dual currency system using both the US Dollar and its own Panamanian balboa since 1903. The US Dollar is widely used in the country especially in the banking and tourism sectors.

**Going** by Milei’s track record, ever since he has become the President of Argentina on the 10th of December 2023, watch closely the developments in that country.

Milei by all account is a quintessential maverick. Note that Milei has not even completed one month of his Presidency as of writing this piece. He is all of 53. He has taught university courses in Macroeconomics, Economic Growth, Microeconomics, and Mathematics for economists. He has written numerous books and has hosted radio programmes. Milei's views distinguish him in the Argentinian political landscape and have garnered significant public attention and polarising reactions all across the globe. Milei is known for his flamboyant personality, distinctive personal style, and strong media presence. He has been described politically as a right-wing libertarian and right-wing populist and he supports laissez-faire economics aligning specifically with minarchist and anarcho-capitalist principles. Milei has proposed a comprehensive overhaul of the country's fiscal and structural policies. He supports freedom of choice on drug policy, guns, prostitution, same-sex marriage, sexual preference, and gender identity, while opposing abortion and euthanasia. In foreign policy he advocates closer relations with the United States, supporting Ukraine in response to Russia's invasion and distancing Argentina from geopolitical ties with China. One thing is for sure when it comes to Milei and his country, Argentina. Things will never be the same for both. As of writing this Milei has already scrapped 366 economic rules of his country. Some of the measures taken by him ever since assuming office are as instructive as they are radical. He has promised to reform the labour laws that are in existence since 1975. He has scrapped the limit on exports from the country. He has moved to limit the rights to strike. He has abolished subsidies to the public transportation company that would increase the ticket prices by as much as ten times! These are a few for starters. To his critics he has this to say: "There may be people suffering from Stockholm Syndrome. They are infatuated with a model that impoverishes them". This self-confessed anarcho-capitalist is destined to be thrown in the dustbin of history for what he has done so far, or he is ordained to walk the aisle proudly displaying the Nobel Prize in Economics in the not-too-distant future.

**Thank you.**

**Venkat R Venkiachalam**

# WHAT'S NEW?



## WHATS NEW? GST

- Taxpayers can now file an appeal in FORM GST APL-01 on the GST portal on or before January 31, 2024, for the order passed by the proper officer on or before March 31, 2023 under GST amnesty scheme. [GSTN Advisory dated 28 November 2023]
- Department in implementing Biometric Aadhar Authentication as pilot project in Andhra Pradesh.[Press Release 616, dated 4th December 2023]
- GSTN portal is starting 2 Factor authentication for login process. This is going to be implemented in phased manner starting from Punjab, Chandigarh, Uttarakhand, Rajasthan & Delhi. [Press Release, dated 4th December 2023]
- Recently, Hon'ble Supreme Court has delivered judgement in the matter of Northern Operating Systems wherein it has held that secondment of employee by foreign entity to Indian entity is taxable under the erstwhile Service tax regime. Post this judgement, the department started issuing notices demanding tax, interest and penalties to the taxpayers with secondment arrangement alleging intention to evade the tax with extended period.

In order to address the issue of the generalized notices, the CBIC issued instructions to its officers stating,

- The tax implications may be different, depending upon the specific nature of the contract and other terms and conditions attached to it. Therefore,

the decision of the Hon'ble Supreme Court in the Northern Operating Systems judgment should not be applied mechanically in all the cases. Necessary agreement and arrangement to be checked carefully before raising demand notice.

- It further states that the intent to evade the tax needs to be raised in justified matters and not to be applied in each and every matter. [Instruction No. 05/2023-GST dated 13th December 2023]
- CBIC extended due date for Nov 2023 GSTR3B for the district of Chennai, Tiruvallur, Chengalpattu and Keenchepuram in Tamil Nadu till 27th Dec 2023. [Notification 55/2023 – CT dated 20th December 2023]
- The Time limit for issuance of notice in GST for non-fraud cases is extended for FY 2018-19 to 30.04.2024 and for FY 2019-20 to 31.08.2024. [Notification No. 56/2023-Central Tax dated 28th December 2023]
- CBIC has extended the date for reporting opening balance for ITC reversal till 31st January, 2023. [Advisory dated 29th December 2023]

## WHAT'S NEW? CUSTOMS

- Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver is revised. [Notification No. 86/2023-Customs dated 28th November 2023]
- Anti-dumping duty is imposed on imports of 'Natural Mica-based Pearl Industrial Pigments excluding cosmetic grade' from China. [Notification No. 13/2023-Customs (ADD) dated 22nd November 2023]
- CBIC imposed anti-dumping duty on Synthetic Grade Zeolite 4A imported from Thailand and Iran for 5 years. [Notification No. 14/2023-Customs (ADD) | Dated: 11th December 2023]
- CBIC has exempted imports of Yellow Peas [HS 0713 10 10] from applicable BCD and AIDC up to 31.03.2024 [Notification No. 64/2023-Customs, dated 7th December 2023]
- Exchange Rate from 7th December 2023 are as follows:

### SCHEDULE-I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	55.70	53.30
2.	Bahraini Dinar	229.80	213.05

3.	Canadian Dollar	62.30	60.35
4.	Chinese Yuan	11.90	11.45
5.	Danish Kroner	12.20	11.85
6.	EURO	91.35	88.25
7.	Hong Kong Dollar	10.80	10.55
8.	Kuwaiti Dinar	279.10	261.75
9.	New Zealand Dollar	52.20	49.90
10.	Norwegian Kroner	7.70	7.50
11.	Pound Sterling	106.45	103.00
12.	Qatari Riyal	23.65	22.20
13.	Saudi Arabian Riyal	22.95	21.55
14.	Singapore Dollar	63.15	61.15
15.	South African Rand	4.55	4.25
16.	Swedish Kroner	8.05	7.85
17.	Swiss Franc	97.15	93.50
18.	Turkish Lira	2.95	2.80
19.	UAE Dirham	23.40	22.05
20.	US Dollar	84.30	82.55

#### SCHEDULE-II

Sl. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	57.65	55.90
2.	Korean Won	6.50	6.10

[Notification No. 90/2023 - Customs (N.T.) dated 7th December 2023]

- CBIC imposed anti-dumping duty on Synthetic Grade Zeolite 4A imported from Thailand and Iran for 5 years. [Notification No. 14/2023-Customs (ADD) | Dated: 11th December 2023]
- CBIC has notified exchange Rate applicable from 22nd December 2023 are as follows:

#### SCHEDULE-I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	57.15	55.20

2.	Bahraini Dinar	228.55	213.60
3.	Canadian Dollar	63.10	61.55
4.	Chinese Yuan	11.80	11.50
5.	Danish Kroner	12.35	12.10
6.	EURO	92.35	89.90
7.	Hong Kong Dollar	10.75	10.55
8.	Kuwaiti Dinar	278.45	263.20
9.	New Zealand Dollar	53.00	51.05
10.	Norwegian Kroner	8.10	7.95
11.	Pound Sterling	106.50	103.85
12.	Qatari Riyal	23.50	22.25
13.	Saudi Arabian Riyal	22.80	21.60
14.	Singapore Dollar	63.40	61.85
15.	South African Rand	4.70	4.45
16.	Swedish Kroner	8.25	8.10
17.	Swiss Franc	98.05	95.05
18.	Turkish Lira	2.95	2.80
19.	UAE Dirham	23.30	22.05
20.	US Dollar	83.80	82.70

#### SCHEDULE-II

Sl. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	58.90	57.55
2.	Korean Won	6.55	6.20

[Notification No. 93/2023 - Customs (N.T.)- dated 21st December 2023]

- CBIC extends the existing concessional import duties on Masur Dal up to and inclusive of the 31st March, 2025. [Notification No. 65/2023-Customs | Dated 21st December 2023]
- CBIC enable gold imports by valid TRQ holders under India UAE CEPA. [Notification No. 66/2023-Customs | Dated 22nd December 2023]
- CBIC imposes anti-dumping duty on imports of Industrial Laser Machinery originating in or exported from China PR. [Notification No. 15/2023-Customs (ADD) | Dated 22nd December 2023]
- CBIC imposes 5-Year Anti-Dumping Duty on Gypsum Tiles from China PR & Oman. [Notification No. 16/2023-Customs (ADD) | Dated 26th December 2023]

- CBIC imposes Anti-dumping Duty on Chinese Wheel Loaders. [Notification No. 17/2023-Customs (ADD) | Dated 27th December 2023]

## WHATS NEW? CENTRAL EXCISE

- Special Additional Excise Duty

Sr.No.	Chapter or heading or sub-heading or tariff item	Description of Goods	Rate
(1)	(2)	(3)	(4)
1	2709	Petroleum crude	Rs. 5,000 per tonne

[Notification No. 40/2023-Central Excise dated 30th November 2023]

- CBIC reduce Central Excise on Diesel export from 19th Dec 2023 to Rs. 0.50 per litre. [Notification 42/2023 -CE dated 18th December 2023]
- CBIC reduces SAED on Petroleum Crude to Rs. 1300 per tonne & raises ATF exports to Rs. 1 per liter. [Notification 41/2023 -CE dated 18th December 2023]

## WHATS NEW? DGFT

- Export of following food commodities are permitted through National Cooperative Exports Limited (NCEL): -

Country Name	Commodity	Quantity
Bhutan	Wheat Grain	14,184 MT
	Wheat Flour (Atta)	5326 MT
	Maida/Semolina	15.226 MT
	Broken Rice	48,804 MT
Mali	Broken Rice	1 Lakh MT
Senegal	Broken Rice	5 Lakh MT in six months' time
Gambia	Broken Rice	50,000 MT in six months' time
Indonesia	Broken Rice	2 Lakh MT

[Notification No. 46/2023 Dated 30th November 2023]

- All AA/EPCG authorization holders falling under the purview of the Amnesty scheme for resolving export obligation defaults are urged to take advantage of this opportunity, as the deadline for filing applications will not be extended beyond 31.12.2023. [Trade Notice No. 35/2023-24-DGFT | Dated: 05th December 2023]
- DGFT allow export of non-Basmati rice export to Nepal for a humanitarian cause. [Notification No. 47/2023-DGFT | Dated: 7th December 2023]

- DGFT allow export of non-Basmati rice to Comoros, Madagascar, Equatorial Guinea, Egypt, and Kenya through the National Cooperative Exports Limited (NCEL). [Notification No. 48/2023-DGFT | Dated: 7th December 2023]
- DGFT bans export of Onion till 31st March 2024. [Notification No. 49/2023-DGFT | Dated: 7th December 2023]
- DGFT amended Yellow Peas Import Policy to Free till 31st March 2024. [Notification No. 50/2023-DGFT | Dated: 8th December 2023]
- DGFT extends ban on export of De-Oiled Rice Bran till March 31, 2024. [Notification No. 51/2023-DGFT | Dated: 8th December 2023]
- Amendment in export policy conditions for Basmati and Non-Basmati rice under Schedule-2, ITC(IIS) Export Policy, 2018 as follows:
  - Export of Rice (Basmati and Non-Basmati) to EU member states and specific European countries now requires a Certificate of Inspection from EIA/EIC.
  - Export to other European countries does not require a Certificate of Inspection for a period of six months from the date of the notification. [Notification No. 52/2023-DGFT | Dated: 12th December 2023]
- Export of food supplements containing botanicals for mentioned ITC HS codes intended for human or animal consumption to European Union and United Kingdom will require issuance of official certificate by EIC/EIA or SHEFIXIL. [Notification no. 53/2023-DFGT dated 15th Dec 23]
- Government has extended the “Free” import policy for the below items:

ITC(HS) Code	Item Description	Import Policy	Existing Policy Condition	Revised Policy Condition
07133110	Urad (Beans of the SPP Vigna Mungo (L.) 1-iepper]	Free	Import is ‘Free’ up to 31.03.2024.	Import is ‘Free’ up to 31.03.2025.
07136000	Tur/Pigeon Peas (Cajanus Cajan)	Free	Import is ‘Free’ up to 31.03.2024.	Import is ‘Free’ up to 31.03.2025.

[Notification No. 54/2023 | Dated: 28th December 2023]

## WHAT'S NEW? INCOME TAX

- Charitable or Religious trust or Institution can now invest or deposit by way of acquiring units of POWERGRID Infrastructure Investment under Rule 17C of Income Tax Rules, 1962. [Notification 103/2023-Income tax dated 18th December 2023]

- CBDT notifies new Safe Harbour Rules for Intra Group Loans via, thereby amending the clause (f) of Rule 10TA and serial number (4) and (5) of sub rule (2A) of Rule 10TD. The modifications aim to provide clearer guidelines on the chargeability of interest rates on intra-group loans extended to associated enterprises, addressing previous ambiguities in tax treatment. [Notification No. 104/2023-Income Tax dated 19th December 2023]
- The CBDT notified the Income Tax Return (“ITR”) Forms ITR-1 (SAHAJ), ITR-4 (SUGAM) for the Assessment Year (“A.Y.”) 2024-25 with effect from April 01, 2024. [Notification No. 105/2023 dated December 22, 2023]
- CBDT notifies Ravenna Investments Holding B.V as pension fund U/s. 10(23FE). [Notification No. 106/2023- Income tax | Dated: 27th December 2023]

## WHAT'S NEW? SEBI

- SEBI has granted simplification of requirements for grant of accreditation to investors. [Circular No. SEBI/HO/AFD/PoD1/CIR/2023/189- dated 18th December 2023]
- SEBI is committed to adoption and implementation of the CPSS-IOSCO Principles for Financial Market Infrastructures (FMIs) in its regulatory functions of oversight, supervision and governance of the key FMIs under its purview. [Circular no. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/190- dated 19th December 2023]
- SEBI issued a significant circular, amending the guidelines for online dispute resolution in the Indian securities market. [Circular no. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/191 dated 20th December 2023]
- SEBI has issued a circular for actions required by corporates for Continuity for Clearing Corporations through Software as a Service (SaaS) Model. It provides clear roadmap for CCs and Exchanges to implement this innovative solution, further safeguarding investor interests and promoting a robust regulatory environment. [Circular No. SEBI/HO/MRD/TPD/P/CIR/2023/192 Dated 20th December 2023]

# WHATS NEW?

## RBI

- RBI increases UPI transaction limits to Rs.5 lakhs per day to Hospital and Educational Institutions.
- RBI has increased transaction limit for UPI recurring transactions value from Rs. 15,000 to Rs. 1,00,000/ per transaction. [RBI/2023-2024/88 CO.DPSS.POLC.No.S-882/02.14.003/2022-23 dated 12th December 2023]
- RBI is set to release the Sovereign Gold Bond Scheme 2023-24. Series II, available for subscription from December 18 to December 22, 2023, will be issued on December 28, 2023. Series IV, open for subscription from February 12 to February 16, 2024, will be issued on February 21, 2024. [Notification No. G.S.R. 885(E) dated 8th December 2023]
- The Government of Madhya Pradesh has notified formation of a new district, viz., Mauganj in the state of Madhya Pradesh. Accordingly, it has been decided to designate the Lead Bank of the new district as below-

Sr No	Newly Created District	Lead Bank Responsibility assigned to	District Working Code allotted to new district
1	Mauganj	Union Bank of India	02N (to be read as 'numeral zero, numeral two, alphabet N')

- There is no change in the Lead Banks of the other districts in the state of Madhya Pradesh. [Notification No. RBI/2023-24/89 FIDD.CO.LBS.BC.No.12/02.08.001/2023-24- dated 18th December 2023]
- RBI has issued an advisory regarding Regulated entities (REs) that make investments in units of Alternative Investment Funds (AIFs) as part of their regular investment operations. [Notification No. 2.RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24- dated 19th December 2023]
- RBI has enabled Tokenisation through Card Issuing Banks. [Notification No. 3.RBI/2023-24/91 CO.DPSS.POLC.No.S-919/02-14-003/2023-24- dated 20th December 2023]
- AD Category-I banks are instructed to discontinue submitting returns through XBRL and shift to the newly introduced CIMS, RBI's advanced data warehouse. [RBI/2023-24/93 A.P. (DIR Series) Circular No.11 Dated:22nd December 2023]

## WHATS NEW? OTHERS

- VC (Video Conferencing) Facility for Grievance redressal on SEEPZ SEZ :  
All the units/stakeholders/ Co-developers/ developers & general public may submit their grievance/ difficulty faced by them on the webpage developed on the official website of SEEPZ-SEZ and the same is addressed by the officials of the SEEPZ SEZ. [Circular no 35/2023 issued by SEEPZ, SEZ]
- IBBI has provided Clarification regarding submission of particulars and declaration by the insolvency professionals in the application filed by creditor(s) in Part IV of Form C of the IRP PGCD Rules. [Circular No. No. IBBI/II/62/2023 dated 21st December 2023]

# BEYOND THE OBVIOUS



## GST

- Supreme Court has upheld the decision of High Court of Calcutta where it was held that ITC of the purchasing dealer cannot be denied by the department on the ground that the supplying dealer has not remitted the tax collected unless in an extraordinary case where the supplier is missing or in situation where it is impossible for the department to collect tax from the supplier. (2023-TIOL-168-SC-GST)
- High Court has stayed the proceedings against issuance of demand notice u/s 73 by Proper Officer which was issued without compliance of mandatory conditions precedent viz. Form GST ASMT-10 was not issued. (2023-TIOL-1735-HC-GUW-GST}
- GSTR-2 - If form is not notified, petitioner cannot be expected to file the same to claim ITC - Assessee should not be prejudiced from availing credit that they are otherwise legitimately entitled to as held by High Court of Madras. (2023-TIOL-1734-HC-MAD-GST)]
- High Court held that Right to appeal cannot be frustrated by shackles of complex procedural formalities - Amount deposited under protest during course of search can be treated as 'pre-deposit' and thus No need to pay afresh. (2023-TIOL-1733-HC-MUM-GST)
- Goods were found with proper tax invoice and E-way bill belonging to petitioner - Circular 76/2018 would apply and petitioner would be deemed to be owner - goods to be released in terms of s.129(1)(a). (2023-TIOL-1723-HC-ALL-GST)
- Maintainability of petition - Non-functional Appellate Tribunal - Executive inertia cannot become the cause of denial of a statutory right. (2023-TIOL-1710-HC-ALL-GST)
- Demand of Rs.20.87 crores confirmed, and penalty imposed of Rs.18.17 crores without rejecting request of petitioner seeking adjournment of 30 days to file reply - Violation of principles of natural justice and mandatory s.75(4) - Order quashed by High Court. (2023-TIOL-1709-HC-MUM-GST)

- It is a trite law that whenever any ambiguity arises with regard to any provision, benefit must go to the taxpayer - Respondent ought to have issued tax intimation u/r 142(1A) for pre-amended period - SCN could not have been issued straight away. (2023-TIOL-1708-HC-AP-GST)
- Pre-deposit [S.107(6)] - There shall be no insistence for payment from the Electronic Cash Ledger - Appeal to be heard on merits. (2023-TIOL-1696-HC-PATNA-GST)
- Since respondent had cancelled registration, they ought to have served SCN by physical mode and not through e-portal, which access was consequently barred - Orders and property attachment notices set aside. (2023-TIOL-1695-HC-MAD-GST)
- Respondents have not issued an acknowledgment in FORM GST DRC-04 - Thus, the procedure u/r 142 has not been followed. Payment not voluntary, to be returned. (2023-TIOL-1673-HC-DEL-GST)
- ITC mismatch - Respondents have not ascertained tax liability and no notice has been issued to petitioner as contemplated u/r 142(1A) - Payments made were not voluntary but under compelling circumstances - Amounts to be refunded with interest. (2023-TIOL-1672-HC-DEL-GST)
- It is impermissible for the officers to pressurize taxpayers to pay tax without following requisite procedure, notwithstanding that it may be apparent that such tax is due and payable. (2023-TIOL-1670-HC-DEL-GST)

## **CENTRAL EXCISE**

- CESTAT Mumbai held that Order-in-Appeal confirming tax demands warrants being quashed where it omits to consider several submissions raised by Assessee. (2023-TIOL-1146-CESTAT-MUM)
- As per settled law, eligibility for CENVAT Credit has to be considered as on date of receipt of services, because the moment Assessee receives service along with invoices on that date, the cenvat credit stands accrued to Assessee. (2023-TIOL-1131-CESTAT-AHM)
- Charges of unjust enrichment are not sustainable where Revenue is unable to demonstrate as to how the Assessee benefitted from the purportedly erroneous refund sanctioned. (2023-TIOL-1128-CESTAT-CHD)
- Appropriate classification of an input service cannot form grounds to deny CENVAT credit, where it is undisputed that such service has been used in manufacturing unit in relation to manufacture process. (2023-TIOL-1109-CESTAT-KOL)
- Penalty under Rule 14 of CCR 2004 is not imposable where CENVAT credit

has been duly reversed before issuance of Show Cause Notice seeking reversal of such credit. (2023-TIOL-1074-CESTAT-MUM)

## SERVICE TAX

- Mere non-obtaining registration, nonpayment of service tax and non-filing of ST-3 Returns cannot be a reason to allege suppression and that a positive act on part of assessee with intent to evade payment of tax has to be established. (2023-TIOL-1154-CESTAT-CHD)
- Tax demand stands barred by limitation where issuance of SCN is delayed by 5 years. (2023-TIOL-1153-CESTAT-KOL)
- Where Assessee establishes that any advance amount received or portion thereof was refunded to payer and that no service was rendered in respect of the advance amount, that such amount will not attract service tax. (2023-TIOL-1149-CESTAT-MAD)
- As per Article 366(29A) of the Constitution, transfer of the right to use any goods for any purpose for cash, deferred payment or other valuable consideration, qualifies as sale of goods & which attracts sales tax; ergo service tax cannot be levied on transaction involving sale of goods. (2023-TIOL-1122-CESTAT-AHM)

## CUSTOMS

- Disallowing an exporter from manual filing of Bill of Entry u/s 46 of Customs Act, violates principles of natural justice, as exporter is debarred from availing benefit of DEPB scrip. (2023-TIOL-880-CESTAT-AHM)
- Once duty is paid 'under protest' and party challenges same by filing an appeal, it necessarily implies that demand of duty is disputed and consequently the case would fall u/s 129A (6) and the party would be liable to pay court fees. (2023-TIOL-1158-CESTAT-DEL)
- Claimants are entitled to interest on refund since claim for refund is relatable to date of its applications & not the date of compliance with query raised by Revenue. (2023-TIOL-1150-CESTAT-MAD)
- Penalty cannot be imposed on Assessee where issue at hand involves interpretation of a particular notification & where no alleged intent to evade payment of tax is made out. (2023-TIOL-1114-CESTAT-DEL)
- Goods sent out of India on approval basis does not attract integrated tax at the time of re-import. (2023-TIOL-1114-CESTAT-DEL)
- Charges of mis-declaration do not sustain, where no act of omission or commission on part of Assessee, is established - Confiscation quashed, penalties set aside. (2023-TIOL-1083-CESTAT-BANG)

- Mere mention of wrong tariff or claiming benefit of an ineligible exemption notification cannot form basis for confiscation of goods -Penalty too set aside. [M/s L G ELECTRONICS INDIA PVT LTD Vs PRINCIPAL COMMISSIONER OF CUSTOMS, NEW DELHI]

## INCOME TAX

- Enterprise in whose favour work has been allotted or agreement has been entered shall alone be entitled to claim deduction u/s 80IA (4) of Act: ITAT (2023-TIOL-1692-ITAT-HYD)]
- If income does not result at all, there cannot be a levy of tax even though a book entry is made: ITAT (2023-TIOL-1689-ITAT-DEL)
- Pr. CIT cannot merely set aside assessment on the basis of a new fact coming on record without exerting himself and providing some basis to dislodge the response of the assessee on such new material: ITAT (2023-TIOL-1690-ITAT-DEL)
- Assessee, a senior citizen, unable to respond to Show Cause Notices, being unaware of the notices having been issued via online mode - case remanded for re-consideration: ITAT (2023-TIOL-1674-ITAT-BANG)]
- If there is no failure on part of assessee with regard to providing material facts, then notice issued u/s 148 & 149 for re-opening assessment is not sustainable: HC (2023-TIOL-1706-HC-MAD-IT)
- As per trite law, making any claim which is subsequently found to be unsustainable cannot per se be sufficient grounds to impose penalty on assessee on grounds of furnishing inaccurate particulars of income: ITAT (2023-TIOL-1624-ITAT-DEL)
- ‘Reason to believe’ is suggestive of its prima-facie characteristics and not established or conclusive facts or information: ITAT (2023-TIOL-1581-ITAT-AHM)

## IPR

- Delhi High Court held that Invalidity of trademark registration not a defense to infringement but may be relevant when deciding the question of relief. (2023 LIVELAW (DEL) 1235)]
- High Court held that No Copyright in ideas or themes. (CS(COMM) 483/2022)]

## COMPANIES ACT AND SEBI ACT

- Woman Can Be 'Karta' of HUF; Hindu Law Affirms Women's Right to Assume the Role of HUF Karta Without Restriction. [2023] 157 taxmann.com 234 (Delhi)
- Banker can enforce pledged shares for overdraft if broker defaults; SEBI can't declare pledge as illegal: SAT [2023] 157 taxmann.com 575 (SAT – Mumbai)
- NCLT's Order sanctioning amalgamation is to be stamped within 30 days u/s 17 of Stamp Act even if Order allows 60 days: NCLT [2023] 157 taxmann.com 576 (Gujarat)

## IBC

- Supreme Court held that Dispute Over Interest Rates Does Not Fall Under the Ambit of Initiation of CIRP. [2023] 157 TAXMANN.COM 157 (SC)]
- Moratorium in insolvency laws doesn't prevent action against personal guarantor in different forum under SARFAESI Act: NCLAT [2023] 152 taxmann.com 709 (NCLAT- New Delhi) [30-09-2022]

## OTHERS

- Tax Dept. is Liable to Lift Attachment If Bank Claims & Exercises Its 1st Charge Over Debt Under SARFAESI Act -HC [2023] 157 TAXMANN.COM 233 (MADRAS)]
- Petitioner Not Liable for Bounced Cheque Issued by Brother from his Account | Complaint u/s 138 to Be Dismissed- HC [2023] 157 TAXMANN.COM 460 (DELHI)]

# BIZSOL CORNER



CA Anuj Gandhi, selected as Professional of the month for November 2023



## Session on "Sharing and Caring"



Team A



Team C



Team D



Team Forex



Team Exim



Team Legal

### Christmas celebration in the Month of December 2023



## Winner for the Christmas Decoration Team "A"



## Monthly Birthday Celebration for the month of December-2023



# TDS/TCS Mismatch & Follow Up

## Handling TDS / TCS Mismatches & Follow-Up With Suppliers & Customers

### Identifying TDS/TCS deducted by Suppliers/Vendor's

- Obtain the list of TDS/TCS deducted by your suppliers/vendor's, TDS/TCS receivable GL listing
- Download the Form 26AS from TRACS website
- Reconciliation of TDS reflected in Form 26AS and TDS receivable GL
- Prepare summary report of Matched, Mismatch transactions

### Suppliers Follow-ups

- Interaction with suppliers for the identified mismatches
- Follow up for correction of mismatches with the supplier within the agreed timeline
- Guiding the suppliers w.r.t. methodologies for updation of TDS/TCS details
- Any other field work required in relation to above scope
- Providing MIS from time to time for these activities

### Identifying TDS deducted by Customer's

- Obtain the list of TDS deducted by customer's w/s 194Q, TDS receivable GL listing
- Download the Form 26AS from TRACS website
- Reconciliation of TDS reflected in Form 26AS and TDS receivable GL
- Prepare summary report of Matched, Mismatch transactions

Now pay the professional fees based on successful reconciliation

Call Us On +91 98600 51518 | Email Us On corporate@bizzsolindia.com

# Maximize The Entitlement Of GST

Finance Bill have received the ascent and therefore, all the provisions made in the Finance Bill and amendment in Finance Bill has been made effective. Considering the provisions introduced w.r.t. GST and newly introduced TCS w.e.f. 1st October 2020, we have started providing our following services :

## GSTR-2A Reconciliation and Follow up with the Suppliers and guidance to them to ensure your maximum entitlement of GST.

### Identifying Mismatches

- Review of purchase register of the company for all the location.
- Identifying the incorrect data in purchase register and reviewing the same with the invoice basis which the credit is availed.
- Reconciliation of the credit availed by the company with the invoice reported by the supplier.
- Preparing supplier-wise summary report of mismatches

### Suppliers Follow-ups

- Interaction with suppliers and customers for the identified mismatches.
- Follow up for correction of mismatches with the supplier within the agreed timeline.
- Guiding the suppliers w.r.t. methodologies for correction of the invoices.
- Working out strategies for agreed mismatches.
- Any other field work required in relation to above scope.
- Providing MIS from time to time for these activities.

Now pay the professional fees based on successful reconciliation.

Call Us On +91 98600 51518 | Email Us On corporate@bizzsolindia.com

# Physical Verification of Stock, Fixed Assets and tagging thereof through QR Code

Periodic Stock Audit • Perpetual Stock Audit • Asset Tagging  
Asset verification

### Verification Of Assets and Inventory

- Review of the inventory / asset listing
- Planning of verification to ensure minimum stoppage in operations
- Use of latest technologies like QR Codes to ensure faster results
- Tagging the assets with the QR Codes
- Actual counting of Inventory / Assets - Manpower deployment
- Age-wise Analysis of stocks
- Live Reporting to ensure accuracy
- Assistance to Statutory Auditors for count
- Final report to management team / certification of stock
- Correct valuation of inventory
- Read report on opening balance of inventory to be uploaded in the ERP
- PAN INDIA presence

Call Us On +91 98600 51518 | Email Us On corporate@bizzsolindia.com

# #DIGITALBIZSOL


## New Episodes



**Clarification on TCS liability**  
Preeti Kulkarni | Director & CFO, Bizsolindia



**Clarification to deal with difference in ITC**  
Nidhi Nawal | Director, Bizsolindia



**Clarification on taxability of share capital held in subsidiary company by the parent company**  
Manoj Behede | Director, Bizsolindia



**Clarification on ITC & Methodology For Issue of Supply of Goods Against the Warranty Claims**  
Manoj Malpani | Director, Bizsolindia




**Andhra Pradesh's Landmark Ruling on GST Credit: Impact on Taxpayers Explained**  
Manoj Malpani | Director, Bizsolindia



**Clarification on how to calculate interest on IGST credit wrongly availed & utilized.**  
Adv. Kiran Sawale | Senior Advisor - Consulting & Taxation, Bizsolindia



**Clarification on Is E Invoicing mandatory for your business?**  
Amit Devdhe | Senior Advisor - Consulting & Taxation, Bizsolindia



**No Interest, No Penalty can be levied under Customs Act**  
CMA Ashok Nawal | Founder, Bizsolindia

Tap To Listen Now On!



# OUR SERVICES

## Bizsolindia Services Private Limited

### Consultancy & Audit in the Area of

- Strategic Management Consultancy
- Indirect Taxation (GST, Customs)
- AEO Certification
- FEMA
- Foreign Trade Policy (Export Promotional Schemes, EPCG, Advance Authorization, DFIA, Duty Drawback, Brand Rate Fixation)
- EOUs / EHTP / STP /BTP
- SEZ
- Project Consultancy (Industrial Parks, Clusters, Agro Economic Zone, Food Park, etc.)
- Direct Taxation including Domestic and International Transfer Pricing
- New Business Set up in India
- Valuation including Business Valuation
- Internal Audit
- Corporate Law & Procedures

### Knowledge Process Outsourcing in the area of

- Indirect Taxation
- GST E-Way Bill
- Accounts
- Inventory management
- Fixed Assets Management
- Implementation of Company Law Matters

## Bizsol Legal Services

### Handling Litigations/Compliances in-

- Corporate Law/Company Law
- Consumer Laws
- Intellectual Property Law
- Competition Law
- Environmental Laws
- NCLT & NCLAT
- DRT and SARFAESI ACT
- Labour Laws
- Drafting Commercial Agreements

## Bizsolindia IT Services Private Limited

### Specialized IT consulting and Solutions / modules along with ERP Integration and following areas:

- Specialized Software for EOUs and SEZs
- Expert in Application programming using Java and ERP Connectivity
- Data Migration
- Offers bucket of Add On Products for EXIM related solutions for the Complete industry needs
- ERP Consulting / Implementation

Bizsolindia Financial Services Pvt. Ltd. Financial Services dealing with:

- Treasury Audit
- Information Services
- Advisory Services
- Policy Consulting
- Treasury Outsourcing
- Interest Rates Advisory
- Treasury Operations Training
- Banking Advisory Services
- International Syndication

A.B. Nawal & Associates,  
Cost Accountants

Practicing Cost Accountant, Cost Audit, GST  
Adjudication matters up to CESTAT & VAT Audit.

MPAS & Associates  
(Formerly Behede Joshi & Associates),  
Chartered Accountant

Practicing Chartered Accountants, Statutory  
& Tax Audit VAT Audit & Transfer Pricing

R. Venkitachalam,  
Company Secretary

Practicing Company Secretary.

Nawal Barde Devdhe & Associates,  
Cost Accountants

Practicing Cost Accountants & Cost Audit

**Bizsolindia Services Pvt. Ltd.**  
CIN: U74999PN2004PTC019256  
14-17, Suyash Commercial Mall, Above  
Union Bank of India, Baner Road,  
Baner, Pune-411045  
Tel: +91 20 40702001 /2002  
[corporate@bizsolindia.com](mailto:corporate@bizsolindia.com)  
[www.bizsolindia.com](http://www.bizsolindia.com)

**We welcome your valuable feedback on this issue  
at [editor@bizsolindia.com](mailto:editor@bizsolindia.com)**

**Chief Editor**  
Manoj Malpani

**Editorial Team**  
Vinay Jain, Kiran Sawale,  
Amit Devdhe, Abhishek Malpani,  
Anita Patil, Swaraj Chhallani,  
Sourabh Lahoti, Shravan Biyani, Nidhi  
Nawal (Biyani)

**Nasik: +91 9860791794, Mumbai: +91 99700 61039**  
**Aurangabad: +91 9422927642, Satara: +91 9423866197**  
**Ahmedabad- +91 90330 24545**

For Private Circulation only. While utmost care has been taken to provide up to date & current information, any person using this information may exercise sufficient caution. We shall not be responsible for any errors / omissions or any losses arising out of use of contents of this newsletter. Reproduction of contents in any form needs prior written approval from Bizsol.

This disclaimer informs readers that the views, thoughts, and opinions expressed in the text belong solely to the author, and not necessarily to the author's employer, organization, committee or other group or individual.